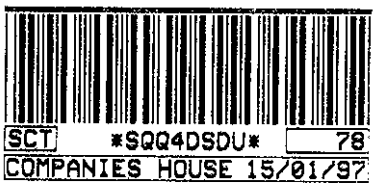
BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

Company No: 110121

FINANCIAL STATEMENTS

- for the year ended -

31 MARCH 1996





MORRIS & YOUNG , CHARTERED ACCOUNTANTS & REGISTERED AUDITORS
6 Atholl Crescent
PERTH, PH1 5JN

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

DIRECTORS

R Briggs
W F Forbes
R B Middleton FNI
D E Grant FCCA
A D D MacRae

SECRETARY

D E Grant FCCA

REGISTERED OFFICE

West Dock
Burntisland
FIFE
KY3 9AH

AUDITORS

Morris & Young
Chartered Accountants & Registered Auditors
6 Atholl Crescent
PERTH
PH1 5JN

PRINCIPAL BANKERS

Clydesdale Bank plc
238 Union Street
ABERDEEN
AB1 1TS

REGISTERED IN SCOTLAND
Company No. 110121

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

INDEX TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996

Page	
1	Report of the directors
2	Auditors' report
3	Profit and loss account
4	Balance sheet
5	Cash Flow Statement
6	Notes to the Cash Flow Statement
7	Notes to the financial statements

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 March 1996.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW
The Company provides pollution control and consultancy services.

The Directors are satisfied with the Company's results and anticipate making further progress in the present year.

DIVIDEND AND TRANSFER TO RESERVES
The directors do not recommend payment of a dividend.

It is proposed that the retained profit of £58,243 is transferred to reserves.

FIXED ASSETS
The movements in fixed assets during the year are set out in note 7 to the financial statements.

SHARE CAPITAL
The Company is a wholly owned subsidiary of Briggs Commercial Limited.

DIRECTORS AND THEIR INTERESTS
The directors who served during the year were as stated below.

R Briggs
W F Forbes
R B Middleton FNI
D E Grant FCCA
A D D MacRae
R S Smith

The interests of the directors in the Holding Company, Briggs Commercial Limited are disclosed in that Company's accounts.
R S Smith resigned from the board on 23 November 1995.

CLOSE COMPANY
The company is a close company as defined by the Income and Corporation Taxes Act 1988.

AUDITORS
The auditors, Morris & Young , Chartered Accountants & Registered Auditors, are willing to be re-appointed in accordance with section 385 of the Companies Act 1985.

By Order of the Board

Date: 30 September 1996

D E Grant FCCA
Secretary

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to (a) select suitable accounting policies and then apply them consistently, (b) make judgements and estimates that are reasonable and prudent, (c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and (d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the auditors to the members of Briggs Marine Environmental Services Limited

We have audited the financial statements on pages 3 to 14.

Respective responsibilities of directors and auditors

As described above the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion based on our audit of those financial statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MORRIS & YOUNG,
CHARTERED ACCOUNTANT & REGISTERED AUDITORS,
6 Atholl Crescent
PERTH PH1 5JN

Date : 30 September 1996

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1996

	Notes	1996 £	1995 £
TURNOVER		5,273,249	3,519,210
Cost of sales		(3,064,325)	(2,082,212)
GROSS PROFIT		2,208,924	1,436,998
Administrative expenses		(2,150,786)	(1,451,627)
		58,138	(14,629)
Other operating income		39,437	57,147
OPERATING PROFIT BEFORE INTEREST	2	97,575	42,518
Interest payable	3	(10,801)	(10,767)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		86,774	31,751
Tax on profit on ordinary activities	6	(28,531)	(3,969)
PROFIT FOR THE FINANCIAL YEAR	12	58,243	27,782

The notes on pages 7 to 14 form part of these financial statements.

The Company has made no recognised gains or losses in 1996 or 1995 other than the profit for the year.

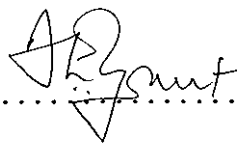
The company's turnover and expenses all relate to continuing operations.

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

BALANCE SHEET AT 31 MARCH 1996

	Notes	1996 £	1996 £	1995 £	1995 £
FIXED ASSETS					
Tangible assets	7		43,355		41,254
CURRENT ASSETS					
Stocks	8	354,247		191,369	
Debtors	9	1,254,216		821,470	
Cash at bank and in hand		3,571,671		2,070,841	
		5,180,134		3,083,680	
CREDITORS: Amounts falling due within one year	10	(4,456,992)		(2,416,681)	
NET CURRENT ASSETS			723,142		666,999
			£ 766,497		£708,253
SHAREHOLDERS FUNDS					
Called up share capital	11		10,000		10,000
Profit and loss account	12		756,497		698,253
			£ 766,497		£708,253

The financial statements were approved by the board on 30 September 1996 and signed on its behalf by



..... D E Grant - Director

The notes on pages 7 to 14 form part of these financial statements.

BRIGGS MARINE ENVIRONMENTAL SERVICES LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 1996

	1996		1995	
	£	£	£	£
Net cash flow from operating activities (note a)		1,505,145		645,647
Returns on investments and servicing of finance				
Interest paid	(9,973)		(8,939)	
Interest element of finance lease rental payments	(828)		(1,828)	
Net cash outflow from returns on investments and servicing of finance		(10,801)		(10,767)
Taxation				
UK Corporation tax paid	(3,365)		-	
Tax paid		(3,365)		-
Investing activities				
Purchase of tangible fixed assets	(8,810)		-	
Receipts from sales of tangible fixed assets	-		77,782	
Net cash outflow from investing activities		(8,810)		77,782
Net cash outflow before financing		1,482,169		712,663
Financing				
Net cash inflow from financing		-		-
Increase/(Decrease) in cash and equivalents		1,482,169		712,663

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 1996

(a) RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1996 £	1995 £
Operating profit	97,575	42,518
Depreciation charges	6,710	9,809
Gain on sale of tangible fixed assets	-	(3,269)
(Increase)/decrease in stock	(162,878)	(21,756)
(Increase)/decrease in debtors	(461,260)	3,387
Increase/(decrease) in creditors	2,024,998	614,958
Net cash inflow from operating activities	£ 1,505,145	£ 645,647

(b) ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	1996 £	1995 £
Balance at 1 April 1995	2,070,841	1,358,178
Net cash inflow / (outflow)	1,482,169	712,663
Balance at 31 March 1996	£ 3,553,010	£2,070,841

(c) ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	1996 £	1995 £	1996 Change in year £	1995 Change in year £
Cash at bank and in hand	3,553,010	2,070,841	1,482,169	712,663
	3,553,010	2,070,841	1,482,169	712,663

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention and are in accordance with applicable accounting standards.

1.2 TURNOVER

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

1.3 DEPRECIATION

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost of the tangible assets over their estimated useful lives:-

Furniture & Equipment	15%	Reducing balance

No depreciation is provided on freehold buildings as it is the company's policy to maintain these so as to extend their useful lives.

1.4 STOCK

Work in progress on long-term contracts is stated at cost, including an appropriate proportion of overheads, plus attributable profit, less foreseeable losses and applicable payments on account.

Stock and other work in progress are valued at the lower of cost and estimated net realisable value.

1.5 DEFERRED TAXATION

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

1.6 DEFERRED INCOME

Deferred income is calculated by taking a pro rated proportion of the known charter income reduction for the year to 31 December 1996 at the date of the signing of these accounts.

1.7 PENSIONS

Pension contributions are charged to the profit and loss account so as to spread the cost of the pensions over the employees' working lives with the Company. These contributions are invested separately from the Company's assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996

2. OPERATING PROFIT

	1996 £	1995 £
The operating profit is stated after charging:-		
Depreciation	6,709	9,809
Hire of equipment	117,528	11,788
and after crediting:-		
Rents receivable	39,437	57,147

3. INTEREST PAYABLE AND SIMILAR CHARGES

	1996 £	1995 £
On bank loans and overdrafts and on loans repayable in full within five years	9,973	8,939
Finance charges	828	1,828
	£ 10,801	£10,767

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996

4. DIRECTORS AND EMPLOYEES

	1996 £	1995 £
Staff costs:-		
Wages and salaries	786,230	892,328
Social security costs	75,292	75,571
Other pension costs	13,364	10,676
	874,886	978,575

The average weekly number of employees during the year were made up as follows:	Number	Number
Production & sales	56	51
Management & administration	14	14
	70	65

	£	£
Directors' emoluments:-		
Remuneration (incl. pension contributions)	193,151	155,649
	£ 193,151	£ 155,649

The Chairman received no remuneration during the year.

The division of directors' emoluments, excluding pension contributions, is as follows:-		
Highest paid director	£ 46,500	£ 42,267

Other directors' remuneration fell within the following ranges:	Number	Number
£5,001 - £10,000	-	1
£40,001 - £45,000	1	2
£45,001 - £50,000	1	-
£50,001 - £55,000	1	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996

5. PENSION COSTS

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £13,364.

The Company also operates a pension scheme providing benefits based on final pensionable pay through the Merchant Navy Officers Pension Fund. The assets of the scheme are held separately from those of the Company. Contributions to the scheme are charged to the Profit and Loss Account so as to spread the cost of pensions over employees' working lives with the Company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was as at 31 March, 1990. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment returns would be 9% per annum, the salary increases would average 7% per annum and that present and future pensions would increase at the rate of 3.25% per annum.

The most recent actuarial valuation of the Merchant Navy Officers Pension Fund showed that the market value of the scheme's assets was £816.7m and that the actuarial valuation of those assets represented 116% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The contributions of the Company and employees will remain at 6.9% and 4.7% of earnings respectively.

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1996 £	1995 £
The taxation charge based on the profit before tax comprises:-		
U.K. corporation tax at 33% (1995 - 25%)	29,135	3,969
	29,135	3,969
Adjustment in respect of prior years	(604)	-
	£ 28,531	£ 3,969

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996

7. TANGIBLE FIXED ASSETS

Cost	Beginning of year £	Additions £	Disposals £	End of year £
Properties:				
Long leasehold	2,000	-	-	2,000
Furniture & equipment	63,018	8,810	-	71,828
	65,018	8,810	-	73,828

Depreciation	Beginning of year £	Charge for year £	On disposals £	End of year £
Furniture & equipment	23,764	6,709	-	30,473
	23,764	6,709	-	30,473

	Beginning of year	End of year
Total net book values	£ 41,254	£ 43,355

8. STOCKS

	1996 £	1995 £
Goods for resale	46,061	51,479
Fuel & lubes	37,684	17,033
Vessel maintenance stock	30,237	42,230
Sundry stock	1,177	3,178
Malaysian	15,691	-
Work in progress	223,397	77,449
	£354,247	£191,369

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996

9. DEBTORS

	1996 £	1995 £
Trade debtors	1,068,190	658,979
Amounts due to Briggs Marine Contractors Ltd	114,030	61,332
Other debtors & prepayments	71,996	23,116
Prepayments and accrued income	-	78,043
	£1,254,216	£757,664

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1996 £	1995 £
Trade creditors	425,627	232,663
Amounts due to Briggs Commercial Limited	2,767,798	1,328,413
Amounts due to Briggs Shipping Limited	23,886	23,886
Amounts owed to Alba International Ltd	55,949	63,806
Corporation tax	29,135	3,969
Other taxes and social security costs	46,062	24,274
Due to Customs & Excise	131,912	50,753
Pensions	1,026	949
Deferred income	70,453	103,638
Sundry creditors	453,903	555,663
Accruals	451,241	28,667
	£4,456,992	£2,416,681

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996

11. SHARE CAPITAL

	1996 £	1995 £
Authorised		
10,000 Ordinary shares of £1 each	10,000	10,000
	£10,000	£10,000
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	10,000	10,000
	£10,000	£10,000

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share Capital £	Profit & Loss Account £	Total Shareholders Funds £
Balance at 1 April 1994	10,000	670,471	680,471
Profit for the year	-	27,782	27,782
Dividends paid	-	-	-
Balance at 31 March 1995	10,000	698,253	708,253
Profit for the year	-	58,243	58,243
Dividends paid & proposed	-	-	-
Balance at 31 March 1996	10,000	756,497	766,497

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996

13. CONTINGENT LIABILITIES

The Company's bankers hold a bond and floating charge over the assets of the Company which also serves to guarantee the borrowings of the Holding Company, Briggs Commercial Limited and those of a fellow subsidiary, Briggs Marine Contractors Limited. There is also a cross guarantee from Briggs Marine Environmental Services Ltd on behalf of each company, without limit.

The company is involved in various legal actions at present details of which are as follows:-

i) An industrial tribunal which is likely to be successful by the claimant and so there is a provision for £12,000 in the accounts.

ii) An industrial tribunal which is unlikely to be successful by the claimants and therefore there is no provision in the accounts.

iii) A contract dispute which we are unable to predict the outcome so have provided in full the £13,300.

iv) A contract dispute which we are unable to predict the outcome and have not made any provision for.

v) A contract dispute to the value of £65,000 which we have fully provided for.

14. RELATED PARTY TRANSACTIONS

Full disclosure of all related party transactions with the other members of the group are disclosed in the group accounts.
Included in current liabilities is a loan from Briggs Shipping Limited for £23,886. There has been no movement on the loan account during the year. R Briggs is the majority shareholder of Briggs Shipping Limited.

15. ULTIMATE PARENT COMPANY

The ultimate parent company is Briggs Commercial Limited, a company registered in Scotland.